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Publications

THE GROWING INFLUENCE AND VALUE  
OF  
THE FARMERS' CREDITORS ARRANGEMENT ACT

A Further Progress Report

Issued by

Honourable Edgar N. Rhodes

Minister of Finance



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From President's Office.  
April 11, 1935.



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The returns to the end of March from the Official Receivers under the Farmers' Creditors Arrangement Act, who are the men in the field throughout the country, indicated that to that date 40,316 farmers had actually interviewed Receivers throughout Canada seeking in one way or another benefits under the legislation. The following figures show the farmers interviewed in each Province:

Prince Edward Island	.... 1,192
Nova Scotia	.... 281
New Brunswick	.... 714
Quebec	.... 11,819
Ontario	.... 5,321
Manitoba	.... 2,832
Saskatchewan	.... 8,778
Alberta	.... 8,311
British Columbia	.... 1,068

The most pleasing feature of the actual operation of the Act is the number of voluntary settlements that are being obtained. To the end of March these settlements, on the reports from the Receivers, totalled 2,742. Among the Provinces Quebec was highest with 752; Ontario second with 718; Alberta third with 534 and Saskatchewan fourth with 436.

On consideration of the statistics other interesting features appear. For instance, in the Maritime Provinces there has been more interest taken in the legislation by way of applications in the smaller Province of Prince Edward Island than in the two Provinces of Nova Scotia and New Brunswick. Prince Edward Island reports as many settlements as the other two Provinces together.

The object of this report is to show the results of the work done during the year 1900. The work has been done in the following order: 1. The first part of the report is devoted to a general survey of the work done during the year. 2. The second part is devoted to a detailed account of the work done in each of the several departments. 3. The third part is devoted to a summary of the results of the work done during the year.

General Survey	100
Department of Agriculture	100
Department of Commerce	100
Department of Education	100
Department of Finance	100
Department of Health	100
Department of Labor	100
Department of Marine Affairs	100
Department of Natural Resources	100
Department of Public Works	100
Department of Social Affairs	100
Department of Transportation	100
Department of War	100

The work done during the year 1900 has been very successful. The results of the work done in each of the several departments are as follows: 1. The Department of Agriculture has made great progress in the work of improving the soil and increasing the production of food. 2. The Department of Commerce has made great progress in the work of increasing the production of goods and services. 3. The Department of Education has made great progress in the work of improving the education of the people. 4. The Department of Finance has made great progress in the work of increasing the production of money. 5. The Department of Health has made great progress in the work of improving the health of the people. 6. The Department of Labor has made great progress in the work of improving the conditions of the workers. 7. The Department of Marine Affairs has made great progress in the work of improving the conditions of the sailors. 8. The Department of Natural Resources has made great progress in the work of improving the conditions of the natural resources. 9. The Department of Public Works has made great progress in the work of improving the conditions of the public works. 10. The Department of Social Affairs has made great progress in the work of improving the conditions of the social affairs. 11. The Department of Transportation has made great progress in the work of improving the conditions of the transportation. 12. The Department of War has made great progress in the work of improving the conditions of the war.

In addition to what has been done voluntarily before the Official Receivers throughout Canada there were over five hundred settlements effected through the Boards of Review. In many instances again the settlements before the Boards of Review have been voluntary so that the net result is that while the legislation is only beginning to be understood, over 3,200 settlements have been effected throughout the Dominion as between the farmers and their creditors, which is a very healthy, helpful development.

It is generally considered that the Canadian farmer achieves his real ambition when he is proprietor of his own land. One of the disturbing features of the census statistics of 1931 was to the effect that there was a decrease, even during that period, in the home-owners of farms in Canada, and a substantial increase in the percentage of tenants. The actual decrease in percentage of home-owners during that period, from 1921 to 1931, was 4.60 per cent, and the increase in tenants 32.95 per cent. In only one Province in Canada, the Province of Prince Edward Island, was there a decrease in the percentage of tenants, the decrease there being 15 per cent. In every other Province the percentage of tenants increased, the percentage of increase in Manitoba being the highest, 62.84 per cent; Saskatchewan was second with 62.60 per cent and Alberta third with 46.28 per cent.

Since the home-owner was, in a large measure, being converted as a farmer into a tenant largely because of the pressure of debt, this legislation seeks definitely to halt the trend which developed






from 1921 to 1931 and to encourage the farmer who is in debt on the land to maintain his position as a home-owner by rearranging and readjusting his indebtedness so that he can remain in that category and at the same time be fair to his creditors.

From the standpoint of the farmers generally throughout the country an encouraging feature has been the definite improvement in commodity prices. From the standpoint of the wheat farmer of Western Canada the most interesting recent development has been the narrowing of the spread between the Liverpool price for Argentine and Australian wheat on the one hand, and Canadian wheat on the other, as between the 12th of March and the 28th of March. For instance, while Canadian wheat had gone up two cents, Argentine wheat had gone up seven cents and Australian wheat had gone up eight and a half cents at Liverpool, narrowing the spread which had existed, which was a distinctly healthy sign, and one of great encouragement to the Canadian farmer and to Canadians generally.

A perusal of the returns which come in to the Department of Finance from the Official Receivers, and from the Boards of Review, indicate generally a desire on the part of the creditors who hold first security to co-operate, particularly in reducing carrying charges, interest rates.

The Honourable E. M. Rhodes, Minister of Finance, has been giving a great deal of personal attention to this legislation and has expressed himself as not only keenly interested in it but abundantly satisfied with results. He said:

"The legislation is based on the idea of



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conciliation. The Statute provides that capacity to pay and productive value of the land are the basic considerations. At first there was a measure of misunderstanding of the Act. Some farmers thought that the legislation would enable them to have their debts wiped out completely. Some creditors considered that it provided a means of repudiation. Both now realize that based on capacity to pay, productive value and the principles of conciliation and reason, it is in the interests of all concerned that arrangements be made.

"The figure of 3,200 settlements in Canada in the short operation of this Act is the strongest argument that could be used, not only for the legislation, but for the purpose of convincing everyone as to that element of fairness and honesty which characterizes debtor and creditor alike in this country."

Excerpts from two reports from Official Receivers may be given to indicate what is being accomplished. In a report from an Official Receiver in Alberta he says as follows:

"I wish to say now that I find that I am obtaining the greatest co-operation from the Banks, the Machinery Companies and to a lesser degree, the Mortgage Companies and also from the Unsecured Creditors. The creditor classes are beginning to realize more and more that although this Act gives great protection to the Debtor, still it gives just as much protection to the Creditor and makes arrangements for them to receive moneys on account of their debts which under ordinary circumstances they would never have received."

Another letter reporting a settlement from





the Judicial District of Terrebonne, in the Province of Quebec, reads as follows:

"I am enclosing copy of a very satisfactory settlement and should like to be able to describe to you the difference between the farmer huddled up in his chair with face all lines and creases, having very little hope of getting any advantage from his creditors, and the man he was when he left my office three and a half hours later all life and hope."

April 11, 1935.

The following is a list of the names of the persons who have been

admitted to the office of the Secretary of the

Board of Education, since the last meeting of the

Board, and who have been admitted to the office of the

Secretary of the Board, since the last meeting of the

Board, and who have been admitted to the office of the

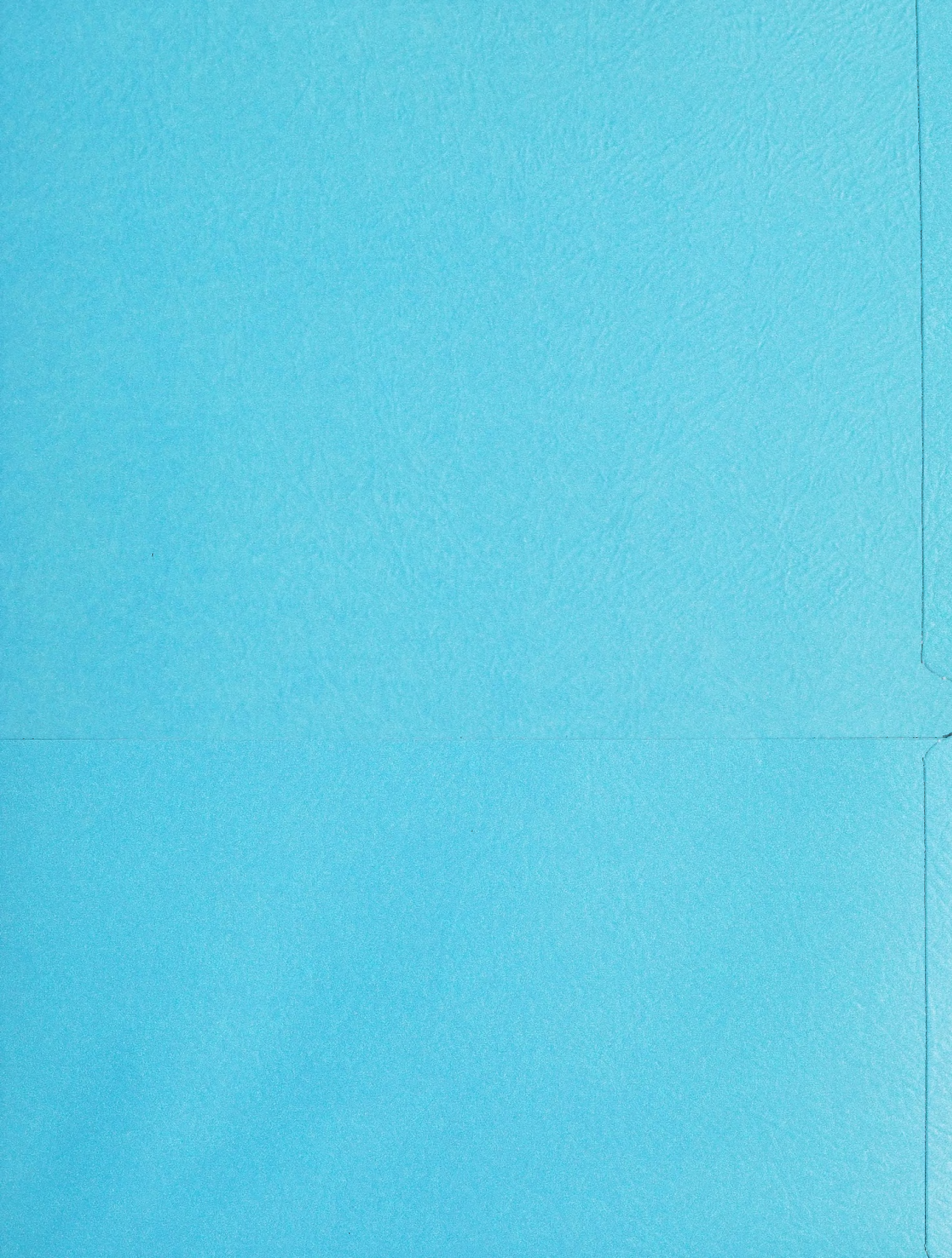
Secretary of the Board, since the last meeting of the

Board, and who have been admitted to the office of the

Secretary of the Board, since the last meeting of the

April 11, 1894







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